

Alternate Revenue Source Preliminary Report

Washington State Law Enforcement
Officers' and Fire Fighters' Plan 2
Retirement Board

September 13, 2006

Brief Summary

- Strategic Plan

- Enhance Benefits
- Maintain Financial Integrity
- Alternate Revenue Source

- Potential Sources

- Fire Insurance Premium Tax
- Firemen's Pension Fund Property Levy

Option 1

- Increase Fire Insurance Premium Tax

- 1% increase = \$6.48 million per year

- 2% increase = \$12.96 million per year

Option 2

- Expand property tax authority and purpose
 - Include all cities, towns, fire districts, and counties
 - Permissible uses include LEOFF Plan 2 benefits

Option 2

- Potential Total Revenue = \$304,455,958 per year
 - Cities/Towns = \$94,024,824
 - Fire Districts = \$66,750,164
 - Counties = \$143,680,970

- Complicated property tax assessment rules

Alternate Revenue Source

Questions?